

# COMMUNITY DEVELOPMENT ZONES

If you are planning to:

- ◆ Expand your business
- ◆ Relocate your business to Wisconsin
- ◆ Start a new business

*The Wisconsin Department of Commerce Community Development Zone (CDZ) program can offer you non-refundable tax credits for new, full-time jobs that you create and for a portion of your eligible environmental remediation costs.*



If your business is located in one of Wisconsin's Community Development Zones shown on the map, or if you anticipate locating in one of the zones, you may be eligible for tax credits that you can apply against your Wisconsin income tax liability. These credits are based on the number of new jobs that you create, the wage level and the benefit package that you offer. In addition, you may be eligible for a credit equal to 50% of your eligible environmental remediation costs.

**Q:** Can you tell me exactly how much these tax credits will be?

**A:** Tax credits are allocated on a case-by-case basis. You will be initially allocated tax credits based on the anticipated rate of pay (at least 150% of the current federal minimum pay rate) for the positions you plan to create. The actual credits that you will be able to apply against your tax liability depend on several factors, including the number of full-time positions (scheduled to work 2,080 hours per year) you create and their corresponding wages and benefits. In most cases, businesses are allocated \$3,000 or \$5,000 per job created, depending upon the pay level.

**Q:** Are there any restrictions on who I can hire?

**A:** Only new, full-time jobs that are filled by Wisconsin residents are eligible for tax credits. Program guidelines call for roughly one-fourth of your new positions to be filled by members of specific target groups.

**Q:** Who are members of these eligible target groups?

**A:** Target groups include workers unemployed as the result of economic conditions (usually a plant closing or layoff), referrals from vocational rehabilitation programs, youths from low-income families, W2 participants, economically-disadvantaged veterans and ex-felons and food stamp recipients.

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***You can contact your local Community Development Zone coordinator (Page 6) for detailed definitions of the various target groups, or check our Community Development Zone web site (Page 5).***

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**Q:** How do I find target group members to hire?

**A:** Local employment and training service providers and Department of Commerce Development Zone Job Specialists can help you locate qualified employees who are also members of eligible target groups. The Department of Workforce Development (Wisconsin Job Service/Job Center) must certify eligible targeted employees.

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***Your business will be charged a \$50 fee for each new employee who is certified as a target group member.***

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**Q:** What if I can't meet the 1-in-4 target hiring provision?

**A:** While hiring targeted workers is a major goal of the Community Development Zone program, we recognize that factors outside your control can make it difficult to reach the 1-in-4 level. When this happens, Commerce may grant a waiver if you can show that you've made a good-faith effort to identify, recruit and hire members of target groups.

**Q:** What if my business doesn't generate much tax liability?

**A:** In many cases, new businesses do not show enough profit to owe taxes, or have enough expenses to offset whatever tax liability they may generate. The Community Development Zone program can still be beneficial, due to a carry-forward provision that gives you 15 years to actually use the tax credits that your business has earned.

**Q:** How large does my business have to be to qualify for your program?

**A:** Participating businesses come in all sizes. Some Community Development Zone participants are start-up businesses with absolutely no employees when they apply to the program. At the other end of the spectrum, we have worked with businesses that have projected job growth of up to 350 employees. Ideally, projects being considered for Community Development Zone tax credits should include the creation of at least 5 new, full-time positions.

**Q:** How can my business become part of your program?

**A:** The first step is to contact your local Community Development Zone coordinator (**listed on Page 6**).

- ◆ The coordinator will meet with you to discuss your project, to evaluate your need for tax credits and to answer any questions that you may have.
- ◆ The local coordinator will assist you in applying for certification in the program through the Department of Commerce.
- ◆ Coordinator's recommendation is sent to the Department of Commerce for review. The Department makes the final decision on the recommended certification and on the actual amount of tax credits that will be allocated to your business.

**Q:** How soon can I start collecting my tax credits?

**A:** The Department of Commerce normally distributes your allocated tax benefits over multiple tax years. If job creation takes place on about the same schedule that you originally projected, you can expect to receive 25% of the tax benefits after the first year and another 25% after the second year. The final 50% is usually held until the third year to ensure that you reach your projections for job creation and target group hires. If the actual number of jobs that you create does not meet your original projections, adjustments to your total tax credit package will be made during the third year.

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***Your business must be certified in the Community Development Zone program for at least 6 months before you are eligible to receive any tax credits.***

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**Q:** Once I'm in the program, how much additional work is involved?

**A:** We ask each business in the program to complete and submit Annual Project Reports. These two-page reports include a summary of your business activities for the past fiscal year, information on new investments, jobs created, anticipated hiring/acquisition plans for the coming year, an estimate of your company's Wisconsin income tax liability and payroll information.

**Q:** What if I need help after I'm approved for the program?

**A:** Start with a call to your local Development Zone coordinator. This is the person who is closest to your business and should be able to provide you with quick answers. Or, you can contact the Bureau of Enterprise Development staff directly. You'll find names, phone and fax numbers and e-mail addresses of the Bureau staff on Page 5 and contact information for the local Development Zone coordinators on Page 6. And of course, there's the Internet. The following links can be found at the CDZ site at <http://commerce.wi.gov/CD/CD-bed-devz.html>

◆ **Target groups:** Including detailed definitions of eligible target groups, our recommended screening questionnaire for identifying target group members and the state tax credit voucher;

- ◆ **Materials for verifying tax credits:** Including the Annual Project Report and the Department of Revenue form that will be used to claim CDZ credits;
- ◆ **Map of Wisconsin Community Development Zones:** Including names, addresses, phone numbers, fax numbers and e-mail links for local Community Development Zone coordinators;
- ◆ **Bureau of Enterprise Development staff:** Including phone and fax numbers and e-mail links;
- ◆ **Federal Tax Credit programs:** Including detailed definitions of eligible target groups for the Work Opportunity Tax Credit and Welfare to Work tax credit programs, how to have your employees certified for federal tax credits and the appropriate federal forms;
- ◆ **Advance Earned Income Credit:** Including an explanation of the tax benefits available for your employees, IRS Form W-5 and instructions;
- ◆ **Other helpful sites:**
  - Division of Vocational Rehabilitation (good source for targeted workers)  
<http://www.dwd.state.wi.us/dvr/>
  - Wisconsin Job Center Directory  
<http://www.dwd.state.wi.us/dws/directory/>
  - Wisconsin Department of Revenue  
<http://www/dor.state.wi.us/>

For information about other Wisconsin Department of Commerce programs, start at the Commerce home page, <http://www.commerce.wi.gov/>

Commerce Development Zone Staff		
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Steve Sabatke Ind. Revenue Bond Specialist	ssabatke@commerce.state.wi.us	608/267-0762
Development Zone Fax		608/266-8969



## Development Zone Coordinators

DEVELOPMENT ZONE	COORDINATOR	E-MAIL	TELEPHONE	FAX
Adams County	John Hay	<a href="mailto:jhay@maqs.net">jhay@maqs.net</a>	(608) 339-6945	<b>(608) 339-7756</b>
Juneau County	Terry Whipple	<a href="mailto:jcedctw@mwt.net">jcedctw@mwt.net</a>	(608) 562-5850	<b>(608) 562-5850</b>
Juneau County	JoAnne Ehasz	<a href="mailto:gmadc@mwt.net">gmadc@mwt.net</a>	(608) 847-7483	<b>(608) 847-5814</b>
Marquette County	Patty Watson	<a href="mailto:patty.watson@ces.uwex.edu">patty.watson@ces.uwex.edu</a>	(608) 297-9153	<b>(608) 297-9161</b>
Ashland County	Frank Kempf	<a href="mailto:AADC@ncis.net">AADC@ncis.net</a>	(715) 682-8344	<b>(715) 682-8415</b>
Bayfield County				
Price County	Gail Huycke	<a href="mailto:gail.huycke@ces.uwex.edu">gail.huycke@ces.uwex.edu</a>	(715) 339-2555 ext. 307	<b>(715) 339-3824</b>
Beloit	Andrew Janke	<a href="mailto:jankea@ci.beloit.wi.us">jankea@ci.beloit.wi.us</a>	(608) 364-6748	<b>(608) 364-6716</b>
Eau Claire	Mike Schatz	<a href="mailto:mrschatz@ci.eau-claire.wi.us">mrschatz@ci.eau-claire.wi.us</a>	(715) 839-4914	<b>(715) 839-4939</b>
Florence County	D. George Folz	<a href="mailto:edc@florencewi.net">edc@florencewi.net</a>	(715) 528-3294	<b>(715) 528-5071</b>
Forest/Langlade Counties	Dave Tice	<a href="mailto:david.tice@ces.uwex.edu">david.tice@ces.uwex.edu</a>	(715) 627-6236	<b>(715) 627-6260</b>
Lincoln County	Jack Sroka	<a href="mailto:jsroka@co.lincoln.wi.us">jsroka@co.lincoln.wi.us</a>	(715) 536-0383	<b>(715) 536-0386</b>
Fond du Lac	John Angeli	<a href="mailto:jangeli@ci.fond-du-lac.wi.us">jangeli@ci.fond-du-lac.wi.us</a>	(920) 929-3316	<b>(920) 929-3291</b>
Grant County	Ron Brisbois	<a href="mailto:gcedc@grantcounty.org">gcedc@grantcounty.org</a>	(608) 822-3501	<b>(608) 822-6019</b>
Lafayette County	Michael Wentela	<a href="mailto:ldc@mhtc.net">ldc@mhtc.net</a>	(608) 776-8080	<b>(608) 776-4306</b>
Green Bay	Peter Thillman	<a href="mailto:peterth@ci.green-bay.wi.us">peterth@ci.green-bay.wi.us</a>	(920) 448-3395	<b>(920) 448-3081</b>
Iron County	Kelly Klein	<a href="mailto:ironcountywi@centurytel.net">ironcountywi@centurytel.net</a>	(715) 561-2922	<b>(715) 561-3103</b>
Janesville	Doug Venable	<a href="mailto:venabled@ci.janesville.wi.us">venabled@ci.janesville.wi.us</a>	(608) 755-3180	<b>(608) 755-3196</b>
Kenosha	Cecilia Lucas	<a href="mailto:clucas@kaba-inc.com">clucas@kaba-inc.com</a>	(262) 605-1100	<b>(262) 605-1111</b>
Lac du Flambeau	Emerson Coy	<a href="mailto:emer@newnorth.net">emer@newnorth.net</a>	(715) 588-3303	<b>(715) 588-9408</b>
La Crosse	Larry Kirch	<a href="mailto:kirchl@cityoflacrosse.org">kirchl@cityoflacrosse.org</a>	(608) 789-7512	<b>(608) 789-7318</b>
Manitowoc	David Less	<a href="mailto:dless@manitowoc.org">dless@manitowoc.org</a>	(920) 686-6931	<b>(920) 686-6939</b>
Marinette County	Don Clewley	<a href="mailto:dac@cybrzn.com">dac@cybrzn.com</a>	(715) 732-0230	<b>(715) 735-6682</b>
Oconto County	Bruce Mommaerts	<a href="mailto:bruce@ocontocounty.org">bruce@ocontocounty.org</a>	(920) 834-6969	<b>(920) 834-6971</b>
Milwaukee	Robert Trimmier	<a href="mailto:rtrimm@mkedcd.org">rtrimm@mkedcd.org</a>	(414) 286-5622	<b>(414) 286-5467</b>
Racine	Brian O'Connell	<a href="mailto:Brian.Oconnell@cityofracine.org">Brian.Oconnell@cityofracine.org</a>	(262) 636-9151	<b>(262) 636-9329</b>
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Stockbridge-Munsee	Doug Miller		(715) 793-4111	<b>(715) 793-1307</b>
Sturgeon Bay	Bill Chaudoir	<a href="mailto:bill@doorcountybusiness.com">bill@doorcountybusiness.com</a>	(920) 743-3113	<b>(920) 743-3811</b>
Superior	Jason Serck	<a href="mailto:serckj@ci.superior.wi.us">serckj@ci.superior.wi.us</a>	(715) 395-7335	<b>(715) 395-7292</b>
Two Rivers	Dan Pawlitzke	<a href="mailto:danpaw@two-rivers.org">danpaw@two-rivers.org</a>	(920) 793-5565	<b>(920) 793-5563</b>